

CHANGES IN TRAVEL AND TRANSPORTATION ALLOWANCES FOR GOVERNMENT EMPLOYEES

MARCH 20, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BROOKS, from the Committee on Government Operations,
submitted the following

REPORT

[To accompany H.R. 4834]

The Committee on Government Operations, to whom was referred the bill (H.R. 4834) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The present statutory maximum travel allowances for Federal employees traveling on official business were set in 1969. The rapid increases in food, lodging, and other costs since that date make it necessary to raise these maximums to more realistically cover the expenses which are incurred. H.R. 4834, therefore, makes the following major adjustments in present law:

1. The bill raises the maximum per diem rate for Federal employees from \$25 to \$35 per day.
2. It raises the maximum actual expense reimbursement from \$40 to \$50 per day. This is to be paid only (1) in unusual circumstances, and (2) in designated high-cost areas.
3. It raises the maximum mileage allowance for privately owned automobiles unchanged since 1961 from 12 cents to 20 cents per mile, with corresponding increases for motorcycles and airplanes. It also allows adjustment within the statutory limits by the Administrator of General Services, based on periodic determinations of average actual cost of operation of vehicles.
4. For travel outside the continental United States, it increases the

maximum reimbursement for actual expenses from \$18 to \$21 per day plus the prescribed locality per diem rate.

The bill makes other technical and clarifying changes in the law and, importantly, gives to the Administrator of General Services the authority, now conferred upon each Federal agency head, to provide Government-wide uniformity in the setting of rates of per diem and mileage allowances up to the maximum established by law and to prescribe the conditions of travel and reimbursement for all Federal employees.

COMMITTEE VOTE

At a meeting of the full Committee on Government Operations on March 20, 1975, a quorum being present, H.R. 4834 was approved unanimously by voice vote.

BACKGROUND

Recognizing that a Federal Government employee traveling on legitimate Government business should not have to subsidize the cost of his trip, Congress has historically provided for reimbursement for reasonable expenses incurred while on official business. The existing per diem rates for authorized travel within the continental United States were established in 1969 under the provisions of Public Law 91-114. That act set a maximum of \$25 per day for ordinary travel, or a maximum of \$40 per day under unusual circumstances of an authorized travel assignment.

For travel outside the continental United States, the per diem allowance cannot exceed the rate established by the President or his designee for the locality where the travel is performed. There is no statutory limitation on this provision. Under unusual circumstances, an employee is entitled to the maximum per diem allowance plus up to \$18 for each day in a travel status outside the continental United States.

A 1961 law, still in effect, established the mileage and related allowances at rates not to exceed: (1) 8 cents a mile for the use of a privately owned motorcycle; and (2) 12 cents a mile for the use of a privately owned automobile or airplane. In addition to these mileage allowances, employees or other individuals performing service for the Government may be reimbursed for: (1) parking fees; (2) ferry fares; and (3) bridge, road, and tunnel tolls.

Legislation similar to the pending bill was passed near the end of the 93d Congress but was vetoed by the President. In his message, the President expressed his disagreement with a Senate amendment which would have provided increased benefits to veterans with service-connected injuries who were required to travel to and from veterans' hospitals and other facilities. The Congress did not have the opportunity to act upon the veto.

H.R. 4834 does not contain the provision objected to by the President. The Veterans' Affairs Committee of the House of Representatives presently has under consideration H.R. 2735 and H.R. 4122, which were introduced for this purpose. Chairman Ray Roberts, of the Veterans' Affairs Committee, sent the following letter to Chairman Brooks:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., February 3, 1975.

HON. JACK BROOKS,
*Chairman, Subcommittee on Government Activities, Committee on
Government Operations, Washington, D.C.*

DEAR MR. CHAIRMAN: This has reference to our recent conversation regarding Section 10 of H.R. 6, 94th Congress, now before your Committee which would amend Title 38, United States Code by adding to Section 111(a) the following:

"In no event shall the amount paid for expenses of travel or mileage allowance under this section in the case of any veteran with a service-connected disability be less than the amount paid therefore under section 5702 or 5704, as appropriate, of title 5 in the case of employees of the United States traveling on official business."

"(b) The Amendment made by subsection (a) of this section shall become effective July 1, 1975."

Legislation similar to H.R. 6 was passed by the 93rd Congress but vetoed by the President because of the above provision relating to Title 38.

Members of our respective staffs have discussed the Title 38 provision since the veto and initially it was decided that since basic eligibility requirements were not being changed, that we would interpose no jurisdictional objection.

More recent developments, however, have caused us to reevaluate this situation inasmuch as we understand that it is the intent of OMB and considerable sentiment in the Senate to have the agencies and departments "absorb" the increased cost of this legislation within the 1976 budget if the legislation is finally enacted.

If this is the case, and there are strong indicators from a number of sources that this is the case, approximately \$18.7 million in increased cost would come out of the Veterans' Administration Medical Care budget for beneficiary travel. The medical care appropriation is already grossly inadequate for direct patient care in VA hospitals and outpatient clinics, and any further erosion of this funding would cause additional serious problems.

In the meantime we have drafted and will introduce the enclosed bill which would require the Veterans' Administration to annually investigate the cost of travel by veterans to VA facilities and to set the rates therefore.

Our Committee has been instrumental in forcing the VA to increase beneficiary travel rates in recent months from 6¢ to 8¢ per mile in an effort to more equitably reimburse veterans for their actual out of pocket travel costs for authorized examinations and treatments and the like, and we believe the enclosed draft bill will meet the veterans beneficiary travel needs. In view of the questions raised, I feel the Committee on Veterans' Affairs should retain jurisdiction of this issue.

With best wishes, I am,
Sincerely yours,

RAY ROBERTS,
Chairman.

HEARINGS

Hearings on this legislation were held by the Subcommittee on Legislation and National Security on March 4, 1975.¹ Officials of the Office of Management and Budget and the General Services Administration testified in support of the measure and offered suggestions for technical and clarifying changes, most of which were accepted and incorporated in the bill. Representatives of Federal employee organizations also testified, strongly backed the legislation, and called for its early enactment.

In the 93d Congress, hearings were on a similar bill, H.R. 15903, by the Government Activities Subcommittee, then headed by Chairman Brooks, and detailed tables of travel costs, based on various surveys, were presented.²

DISCUSSION

Subsistence allowances

When the present per diem allowances were established, the rates were adequate to cover reasonable expenses that might be incurred during official government travel. However, in the last 6 years the average cost of food and lodging has increased approximately 24 percent and these rates are now inadequate to fully reimburse an employee for his travel expenses.

In an effort to determine the effect of rising costs associated with travel, the General Services Administration initiated a study to evaluate the adequacy of present travel allowances for Federal employees. The study involved approximately 13,000 actual employee travel experiences representing 63,000 man-days of travel taken over a period of 3 months in 1973, and included 22 agencies of the executive branch. This sample reflected approximately seven-tenths of 1 percent of the total number of man-days of government travel each year.

Results showed that the present \$25 maximum per diem was inadequate for over 50 percent of the reported travel. The study also disclosed that actual subsistence expense allowances of up to \$40 per day were authorized in only 3 percent of the travel reported.

Since the purpose of the per diem statutes is obviously not being served, H.R. 4834 was introduced to remedy this situation. This bill increases the maximum basic statutory per diem allowance from \$25 to \$35, the maximum statutory actual subsistence expenses for travel under unusual circumstances in the continental United States from \$40 to \$50 per day, and the permissible amount in addition to the maximum per diem allowance established for a locality outside the continental United States from \$18 to \$21 per day.

The actual per diem rate under the maximum amount would be established by the issuance of regulations by the Administrator of GSA for travel both inside and outside the continental United States. The rate would be determined on a basis of periodic studies and would be applicable to all Government agencies. It is anticipated that, at the present time, a \$33 per diem rate would be established for

¹ "Travel Expense Amendments Act of 1975," hearings before a subcommittee of the Committee on Government Operations, House of Representatives, 94th Cong., 1st sess., Mar. 4, 1975.

² "Changes in Per Diem Travel Allowances for Government Employees," hearing before a subcommittee of the Committee on Government Operations, House of Representatives, 93d Cong., 2d sess., July 16, 1974.

travel inside the continental United States, but the flexibility would be available for the rate to go to a maximum of \$35 should circumstances make that necessary.

Although these increases will be adequate to cover the expenses of most travel, the allowances will not be sufficient at the present time to take care of expenses incurred in travel to major cities such as New York and San Francisco.

To accommodate these areas of unusually high traveling costs, H.R. 4834 incorporates a new concept providing for reimbursement of actual and necessary expenses up to \$50 per day for travel to high cost areas. An area would be designated by regulations as a "high rate geographic area" when travel expenses there exceed the regular per diem rate by a significant amount. GSA has testified that a 10-percent margin would be used as a guideline. A maximum rate would be stated in the governing regulations for each major city area so designated, but in no case could the rate established exceed the \$50 statutory maximum.

These major city locality rates would be reviewed at least once annually, and adjusted, as appropriate, within the proposed ceiling of \$50 per day. The major city locality rates would be prescribed as maximums only; and, when actual subsistence expenses incurred in any one day are less than the maximum authorized, the traveler will be reimbursed only for the lesser amount.

The high rate geographic area concept is an effective means of meeting the demonstrated needs of Federal employees who must travel on official business to such higher cost areas, and is certainly preferable to increasing the nationwide per diem rate to a level sufficient to meet the expense of high cost areas. This method provides for adequate relief in the situations which are now causing most of the hardships experienced by Federal employee travels, while retaining some incentive for employees to maintain their travel expenses at a minimum.

The per diem rate for travel to each locality outside the continental United States is to be established by the President, or his designee. In a case where the per diem rate for a particular locality is less than actual and necessary expenses, the President, or his designee, may prescribe reimbursement not to exceed \$21 for each day in addition to the locality per diem rate.

Mileage allowances

Of equal concern is the recent meteoric rise in transportation costs. In general, the mileage reimbursement rates established in 1961 are at substantially inadequate levels.

Two recent Government studies indicate that the present cost of operating a standard size automobile in the United States exceeds the 12 cents maximum reimbursement rate set by law. A Department of Transportation study completed in April 1974,³ indicated that the present cost of operating an automobile was 15.9 cents per mile, while a June 1974 report by the GSA⁴ indicated that this cost was 14.4 cents per mile. These differences are easily reconcilable since the GSA

³ "Cost of Operating an Automobile," U.S. Department of Transportation, Federal Highway Administration, April 1974.

⁴ "Present Cost of Operating Privately-Owned Automobiles," General Services Administration, Federal Supply Service, Transportation Services Division, June 5, 1974.

figure does not include the 2 cents per mile cost for garage, parking, and tolls that the DOT study included. These costs are reimbursed separately under the provisions of present law and, therefore, are appropriately excluded from the reimbursement allowance studies. Both studies included the original vehicle cost depreciation, maintenance, accessories, parts, tires, gas and oil (excluding taxes), insurance, and State and Federal taxes. The Department of Transportation based its figures on a 5-year depreciated car life, while the GSA used a 10-year period to calculate depreciation expense. The essential point, however, is that both of these studies illustrate the need for an upward adjustment in the present transportation reimbursement rate. A November 1974 study by GSA showed the cost of operating an automobile to be 14.9 cents a mile.

This bill would raise the maximum reimbursement rate for operating a private automobile from the current level of 12 cents a mile to 20 cents a mile. The actual rate would be established by regulation. GSA has informed the committee that the rate would be set at 15 cents a mile, but the GSA would have the flexibility to adjust the rates (not to exceed the maximum) in accordance with the need established by their periodic cost studies, which would be mandatorily required by and reported to Congress at least once a year.

H.R. 4834 would also correct the presently inadequate reimbursement rates for the use of privately owned motorcycles and airplanes for legitimate government business trips.

This bill would raise the current maximum allowance for motorcycles from 8 cents to 11 cents a mile. This increase is assumed to be adequate to cover any increases in fuel costs for motorcycles since fuel costs are generally minimal with respect to the use of a motorcycle.

In a December 1973 study conducted by the GSA, it was determined that the average cost of operating a privately owned, single-engine, piston airplane was approximately 20.6 cents per mile, exclusive of landing and tie-down fees. The present maximum reimbursement rate of 12 cents a mile is clearly inadequate. Under this bill, the rate would be raised to a maximum of 24 cents a mile.

As in the case of the automobile provisions, GSA would be required to conduct periodic cost studies concerning the use of motorcycles and airplanes so that they could base these rates upon justified needs. A report of these results would be required to be made to Congress once a year.

It should also be noted that presently the per diem statutes do not provide for the separate reimbursement of landing and tie-down fees while operating a privately owned airplane, although similar costs relating to the use of a privately owned automobile, such as parking fees, ferry fares, and highway tolls may be separately allowed. By providing for the separate reimbursement of landing and tie-down fees, this proposal would remove this anomaly.

Finally, H.R. 4834 clearly establishes that the same provisions regarding per diem allowances will be applicable to all persons traveling on official Government business, including employees, experts, and consultants, volunteers and \$1-a-year people. This provision would reduce government expenses by utilizing more effective controls upon travel costs while providing for simpler and more uniform accounting procedures.

CONCLUSION

In conclusion, H.R. 4834 presents a viable method of dealing with the problem of establishing efficient and effective allowance rates. While the bill deals adequately with covering expenses encountered by employees on legitimate Government business trips, it still retains incentives for keeping those costs at a minimum. It also reserves control over these expenditures in the Congress, yet allows enough flexibility for the GSA to react to price fluctuations in a timely manner.

The committee has long felt that Government employees traveling on official business should be adequately reimbursed for their necessary expenditures and should not pay any of the cost out of their own pockets. Due to recent inflation in the cost of travel, lodging, and meals, increases in the allowances are presently needed. The committee believes that this legislation represents reasonable and adequate means of resolving this problem.

ESTIMATED COST OF LEGISLATION

Assuming that official Government travel remains at the present level, the General Services Administration estimates that passage of this legislation will result in an increased expenditure of \$62.9 million for travel allowances at the maximum rates in the bill. This breaks down to \$46.2 million for per diem and actual subsistence expenses, \$5.2 million for the major-city locality rate, and \$11.5 million for mileage. The committee concurs in these estimates for each of the next 5 years, with the realization that travel expenses are continuing to rise, which could produce somewhat higher rates and expenditures later in this period.

MATTER REQUIRED TO BE DISCUSSED UNDER HOUSE RULES

In compliance with clauses 2(1)(3) and 2(1)(4) of rule XI of the Rules of the House of Representatives, the following statements are made:

In compliance with subdivision (A) of clause 2(1)(3), the Government Activities Subcommittee of this committee during the 93d Congress reviewed the application and administration of the laws relating to travel expenses of Federal employees and the organization and operation of Federal agencies responsible for the administration and execution thereof, and the committee determined that this law should be revised and improved in the manner set forth in the bill.

With respect to subdivision (C) the committee advises that no estimate or comparison has been prepared by the Director of the Congressional Budget Office relative to any of the provisions of H.R. 4834.

In compliance with clause 2(1)(4) the committee states that the provisions of this legislation in and of themselves are not expected to have an inflationary impact on prices and costs in the operation of the national economy.

SECTION-BY-SECTION ANALYSIS

H.R. 4834 amends and revises chapter 57 of title 5 of the United States Code which relates to travel, transportation and subsistence of Federal employees while on official business.

SHORT TITLE

Section 1 sets forth the title of the bill: "Travel Expense Amendments Act of 1975."

DEFINITION OF EMPLOYEE

Section 2 expands the definition of employee now in the statute to include experts and consultants serving intermittently so that all will be treated alike when traveling at Government expense.

MAXIMUM PER DIEM RATE—\$35

Section 3 amends title 5 and establishes the new maximum per diem and allowance rates. The changes in section 5702(a) increase the maximum per diem rate from \$25 to \$35 per day; allows the President or his designee to set the rate for foreign travel; and permit the adoption of regulations for allocating per diem if less than a full day is consumed. It also places in the Administrator of General Services the authority to set the rates which heretofore had been set by each agency and the authority to issue regulations. The purpose of this change is to provide uniformity in travel allowances throughout the Government to the extent possible.

ILLNESS OR INJURY WHILE TRAVELING

Section 5702(b) of the Code protects an employee who becomes ill or incapacitated not due to his own misconduct while traveling by insuring that he will be entitled to the applicable per diem allowance and travel expenses to the location of his designated post of duty or home, as the case may be.

MAXIMUM ALLOWABLE ACTUAL EXPENSES; HIGH COST AREAS—\$50

Section 5702(c) provides reimbursement for actual and necessary expenses up to \$50 per day from the present \$40 for travel inside the continental United States when the per diem allowance is inadequate due to unusual circumstances or for travel to designated high-cost areas.

OVERSEAS TRAVEL

Section 5702(d) increases the allowance in addition to the regular per diem rate for travel under unusual circumstances outside the continental United States from the present \$18 to \$21 per day, subject to such regulations as the Administrator of General Services may prescribe.

EXEMPTION FOR JUDGES

Section 5702(e) is a restatement of a provision of the current statute which exempts justices and judges of the United States from the provisions of this section except to the extent specifically provided in the statute relating to traveling expenses of justices and judges in section 456 of title 28 of the United States Code.

EXPERTS AND CONSULTANTS

Section 4 amends section 5703 of title 5 and continues authority to provide travel and transportation expenses for experts and consultants who serve intermittently in the Government service and those who serve without pay or at \$1 per year.

MILEAGE AND RELATED ALLOWANCES

Section 5 amends section 5704 and increases the existing maximum mileage rates from—

- 8 cents per mile to 11 cents per mile for a privately owned motorcycle;
- 12 cents per mile to 20 cents per mile for a privately owned automobile; and
- 12 cents per mile to 24 cents per mile for a privately owned airplane.

when the employee is engaged on official business for the Government and when that mode of transportation is authorized or approved as more advantageous to the Government. However, such a determination of advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier, including per diem. Furthermore, in any case in which an employee who is engaged on official business chooses to use a privately owned vehicle in lieu of a Government vehicle, payment on a mileage basis is limited to the cost of travel by a Government vehicle.

Subsection (b) of this section authorizes an additional reimbursement to the employee for parking fees; ferry fees; bridge, road, and tunnel costs; and airplane landing and tiedown fees.

REGULATIONS AND REPORTS

Section 6 amends section 5707 to authorize the Administrator of General Services to prescribe regulations necessary for the administration of this law (this function had previously been transferred from the Director of the Office of Management and Budget to the Administrator of GSA by executive order), except that the Director of the Administrative Office of the United States Courts shall prescribe regulations for official travel by employees of the judicial branch.

PERIODIC INVESTIGATIONS OF TRAVEL COST

Subsection (b) (1) of this section directs the Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations of employees of the Government to conduct periodic investigations of the cost to Government employees of travel and the operation of privately owned vehicles while engaged on official business. He also is directed to report the results of such investigations to Congress at least once a year. In conducting the investigations, the Administrator is to review and analyze among other factors—

- depreciation of original vehicle cost;

- gasoline and oil (excluding taxes);
- maintenance, accessories, parts, and tires;
- insurance; and
- State and Federal taxes.

ADJUSTMENT OF MILEAGE FIGURES

Subsection (b) (2) of this section directs the Administrator to issue regulations at least once each year prescribing mileage allowances within the maximum rates set in section 5704(a). At least once each year, the Administrator shall determine the current cost, rounded to the nearest one-half cent, of operating a privately owned motorcycle, automobile, and airplane. He is to report such figures to Congress not later than five working days after he makes his determination and print such report in the Federal Register. The mileage allowances in the regulations shall be adjusted to the figures so determined and reported by the Administrator within 30 days following the submission of that report.

Section 6(b), however, directs the Administrator to issue new mileage allowances within 30 days, based upon existing studies of actual operating costs and without regard to the requirements imposed by section 5707(b) (1) as amended.

TABLE OF CONTENTS

Section 7 amends the table of contents of chapter 57 of title 5 to conform to changes made by the bill.

AGENCY COMMENTS

In the 93d Congress, the General Services Administration submitted a letter and draft legislation seeking an increase in the per diem and mileage allowance rates. The draft legislation was similar in concept, but not in language, to that passed by the House last Congress and to H.R. 4834.

The letter follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., June 5, 1974.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: There is transmitted herewith for referral to the appropriate Committee a draft bill, "To increase the maximum per diem allowance and the maximum statutory mileage allowance for the use of a privately owned automobile or airplane for employees of the Federal Government while traveling on official business, and for other purposes."

Executive Order 11609 of July 22, 1971, vested in the Administrator of General Services the authority of the President to prescribe regulations under 5 U.S.C. 5707 without approval, ratification, or other action by the President. The current Federal Travel Regulations, promulgated by the General Services Administration, are those which become effective on May 1, 1973 (41 CFR 101-7).

Under present law (5 U.S.C. 5702), an employee traveling on official business away from his designated post of duty is entitled to a per diem allowance prescribed by the agency concerned, subject to a maximum of \$25 for travel inside the continental United States. Under regulations prescribed under 5 U.S.C. 5707, an agency head may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of travel, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be less than the actual and necessary expenses due to "the unusual circumstances of the travel assignment." In such cases, the amount named in the travel authorization may not exceed \$40 for each day in travel status inside the continental United States, or the maximum per diem allowance established for the locality where the travel is performed, plus \$18 for each day in a travel status outside the continental United States. The maximum figures of \$25, \$40, and \$18 have been in effect since November 19, 1969, when they were increased to those levels by Public Law 91-114 from the previous figures of \$16, \$30, and \$10.

In view of rising costs associated with travel, especially in major metropolitan areas, the General Services Administration initiated a study to determine the adequacy of present travel allowances for Federal employees. The study involved approximately 13,000 actual employee travel experiences representing 63,000 man-days of travel taken over a period of three months in 1973, and included 22 agencies of the executive branch. This reflects seven-tenths of one percent of the total number of man-days of travel. Results show that the present \$25 per diem rate was inadequate for over 50 percent of the reported travel. This was due, primarily, to the increased average costs of approximately 24 percent in food and lodging expenses since 1969, the year of the last per diem increase. The Consumer Price Index level reflects this fact. The study also disclosed that actual subsistence expense allowances of up to \$40 per day were authorized in only three percent of the travel reported.

We, therefore, propose in our draft bill that the maximum statutory per diem allowance be increased from \$25 to \$30; the maximum statutory actual subsistence expenses in the continental United States be increased from \$40 to \$50 per day; and the permissible amount in addition to the maximum per diem allowance established for the locality for travel outside the continental United States be increased from \$18 to \$23 per day. Section 2 of our draft bill would provide the same changes in the \$25 and \$40 limitations imposed upon the Senate by the Legislative Branch Appropriation Act, 1957, as amended. In spite of these increases, the allowances will not be sufficient to take care of those employees traveling to major cities such as New York and San Francisco. Based on published commercial lodging and meal expenses, it would require an average of \$45 per day for adequate lodgings with three average meals, including tips and taxes. For that reason, it is proposed in our draft bill to permit the reimbursement of actual and necessary expenses of a trip when they are much more than the maximum per diem allowance, due to a travel assignment to such major cities and metropolitan areas. Under present law this reimbursement is permitted only when the higher expenses are due to "unusual circumstances."

Based on a \$30 statutory per diem rate, it is anticipated that there would be approximately 10 major city areas at the present time where travel expenses would exceed the maximum per diem rate by 10 percent or more and would therefore be designated as a "major city locality." A maximum rate would be stated in the governing regulations for each major city area so designated, but in no case will the rate established exceed the \$50 statutory maximum actual expenses allowance. It is further anticipated that the maximum locality rates would be reviewed at least annually and adjusted, as appropriate, within the proposed ceiling of \$50 per day. These major city locality rates would be prescribed as maximums only, and when actual subsistence expenses incurred in any one day are less than the maximum authorized, the traveler will, of course, be reimbursed only for the lesser amount.

We believe this major city locality rate method to be a means of meeting the demonstrated needs of Federal employees who must travel on official business, which is preferable to increasing the maximum per diem rate to a level sufficient to meet these particular circumstances of travel. It will relieve the situations which are now causing most of the hardships experienced by Federal employee travelers, while the proposed increase in the maximum per diem rate will adequately cover the remainder.

Under our proposed draft bill, the maximum yearly cost impact based on a per diem increase to \$30 would be approximately \$24 million over the present rate (\$25), plus an additional increase of approximately \$10 million based on the establishment of the major city locality rate method.

This bill also proposes to amend 5 U.S.C. 5704(a) (2), to increase the maximum allowance for the use of a privately owned automobile from 12 cents to 18 cents a mile, and for the use of a privately owned airplane from 12 cents to 24 cents a mile, and to amend 5 U.S.C. 5704(b) to provide, in addition to the mileage allowance prescribed under 5 U.S.C. 5704(a) (2), that employees who use a privately owned airplane for official business may be reimbursed for landing and tie-down fees.

The maximum figures of 12 cents for a privately owned automobile and airplane have been in effect since August 14, 1961, when they were increased to those levels by Public Law 87-139 from the previous figure of 10 cents.

A recent study by GSA of automobile operating costs indicates that the cost of operating a privately owned automobile as of April 1974 was 14.4 cents a mile.

Another study which we recently completed relates to costs associated with operating a privately owned airplane. As determined in this study, the cost of operating a privately owned, single engine, piston airplane, as of December 1973, was approximately 20.6 cents per mile, exclusive of landing and tiedown fees.

Although our studies indicated operating costs of 14.4 cents per mile for privately owned automobiles and 20.6 cents per mile for privately owned airplanes, we recommend that the statutory rates be set at 18 and 24 cents per mile, respectively. This would allow us latitude in prescribing reimbursement rates within the statutory maximums that will equate to the current costs of operating these conveyances.

Additionally, we recommend that 5 U.S.C. 5704(b) be amended to permit reimbursement for landing and tiedown fees in addition to the mileage allowance prescribed for privately owned airplanes. Although similar costs such as parking fees, ferry fares, and highway tolls may be separately allowed under 5 U.S.C. 5704(b) for the use of a privately owned automobile, there is no statutory authority for separately allowing the expenses of landing or tiedown services when a privately owned aircraft is authorized for use on official business. A change in the law to allow separate reimbursement for these costs will insure a closer relationship between expenses incurred and the amount of reimbursement and will standardize the allowances as they relate to both automobiles and airplanes.

The estimated annual costs impact for each 1 cent per mile increase for privately owned vehicles is \$3.8 million; for privately owned airplanes is \$11,000. If the rates for reimbursement are set at 15 and 21 cents, the estimated annual total cost impact would be \$11.5 million more than today's inadequate allowance.

The draft bill will provide more equitable treatment for Federal employee travelers and alleviate the inadequacies of present travel allowances. We urge its prompt enactment.

The Office of Management and Budget has advised that there is no objection to the submission of this draft bill to the Congress and that its enactment would be consistent with the Administration's objectives.

Sincerely,

DWIGHT A. INK,
Deputy Administrator.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman) :

TITLE 5, UNITED STATES CODE

* * * * *

CHAPTER 57—TRAVEL, TRANSPORTATION, AND SUBSISTENCE

SUBCHAPTER I—TRAVEL, AND SUBSISTENCE EXPENSES; MILEAGE ALLOWANCES

- SEC.
5701. Definitions.
5702. Per diem; employees traveling on official business.
5703. Per diem, travel, and transportation expenses; experts and consultants;
individuals serving without pay.
5704. Mileage and related allowances.
5705. Advancements and deductions.
5706. Allowable travel expenses.
5707. Regulations and reports.
5708. Effect on other statutes.
5709. Air evacuation patients: furnished subsistence.

SUBCHAPTER I—TRAVEL AND SUBSISTENCE
EXPENSES; MILEAGE ALLOWANCES

§ 5701. Definitions

For the purpose of this subchapter—

(1) “agency” means—

- (A) an Executive agency;
- (B) a military department;
- (C) an office, agency, or other establishment in the legislative branch;
- (D) an office, agency, or other establishment in the judicial branch; and
- (E) the government of the District of Columbia;

but does not include—

- (i) a Government controlled corporation;
- (ii) a Member of Congress; or
- (iii) an office or committee of either House of Congress or of the two Houses;

(2) “employee” means an individual employed in or under an agency *including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at \$1 a year*;

(3) “subsistence” means lodging, meals, and other necessary expenses for the personal sustenance and comfort of the traveler;

(4) “per diem allowance” means a daily flat rate payment instead of actual expenses for subsistence and fees or tips to porters and stewards;

(5) “Government” means the Government of the United States and the government of the District of Columbia; and

(6) “continental United States” means the several States and the District of Columbia, but does not include Alaska or Hawaii.

§ 5702. Per diem; employees traveling on official business

[(a) An employee, while traveling on official business away from his designated post of duty, is entitled to a per diem allowance prescribed by the agency concerned. For travel inside the continental United States, the per diem allowance may not exceed the rate of \$25. For travel outside the continental United States, the per diem allowance may not exceed the rate established by the President or his designee, who may be the Director of the Bureau of the Budget or another officer of the Government of the United States, for the locality where the travel is performed.

[(b) Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty, becomes incapacitated by illness or injury not due to his own misconduct is entitled to the per diem allowances, and transportation expenses to his designated post of duty.

[(c) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under

which an employee may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment. The amount named in the travel authorization may not exceed—

[(1) \$40 for each day in a travel status inside the continental United States; or

[(2) the maximum per diem allowance plus \$18 for each day in a travel status outside the continental United States.

[(d) This section does not apply to a justice or judge except to the extent provided by section 456 of title 28.]

§ 5702. *Per diem; employee traveling on official business*

(a) *Under regulations prescribed under section 5707 of this title, an employee While traveling on official business away from his designated post of duty, or in the case of an individual described under section 5703 of this title, his home or regular place of business, is entitled to (1) a per diem allowance for travel inside the continental United States at a rate not to exceed \$35, and (2) a per diem allowance for travel outside the continental United States, that may not exceed the rate established by the President, or his designee, for each locality where travel is to be performed. For travel consuming less than a full day, such rate may be allocated proportionately.*

(b) *Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty or, in the case of an individual described under section 5703 of this title, his home or regular place of business, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses to his designated post of duty, or home or regular place of business, as the case may be.*

(c) *Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the maximum per diem allowance would be less than these expenses, except that such reimbursement shall not exceed \$50 for each day in a travel status within the continental United States when the per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707 of this title.*

(d) *Under regulations prescribed under section 5707 of this title for travel outside the continental United States, the Administrator of General Services or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the per diem allowance would be less than these expenses, except that such reimbursement shall not exceed \$21 for each day in a travel status outside the continental United States plus the locality per diem rate prescribed for such travel.*

(e) *This section does not apply to a justice or judge, except to the extent provided by section 456 of title 28.*

§ 5703. Per diem, travel, and transportation expenses; experts and consultants; individuals serving without pay

[(a) For the purpose of this section, "appropriation" includes funds made available by statute under section 849 of title 31.

[(b) An individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis may be allowed travel expenses under this subchapter while away from his home or regular place of business, including a per diem allowance under this subchapter while at his place of employment.

[(c) An individual serving without pay or at \$1 a year may be allowed transportation expenses under this subchapter and a per diem allowance under this section while en route and at his place of service or employment away from his home or regular place of business, unless a higher rate is named in an appropriation or other statute, the per diem allowance may not exceed—

[(1) the rate of \$25 for travel inside the continental United States; and

[(2) the rates established under section 5702(a) of this title for travel outside the continental United States.

[(d) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under which an individual to whom this section applies may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment. The amount named in the travel authorization may not exceed—

[(1) \$40 for each day in a travel status inside the continental United States; or

[(2) the maximum per diem allowance plus \$18 for each day in a travel status outside the continental United States.]

§ 5703. Per diem, travel, and transportation expenses; experts and consultants; individuals serving without pay

An employee serving intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis, or serving without pay or at \$1 a year, may be allowed travel or transportation expenses, under this subchapter, while away from his home or regular place of business and at the place of employment or service.

§ 5704. Mileage and related allowances

(a) Under regulations prescribed under section 5707 of this title, an employee [or other individual performing service for the Government,] who is engaged on official business [inside or outside his designated post of duty or place or service,] *for the Government* is entitled to not in excess of—

(1) [8]11 cents a mile for the use of a privately owned motorcycle; [or]

(2) [12]20 cents a mile for the use of a privately owned automobile [or airplane;]; or

(3) *24 cents a mile for the use of a privately owned airplane;* instead of [the] actual expenses of transportation when that mode of

transportation is authorized or approved as more advantageous to the Government. A determination of *such* advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier including per diem. *Notwithstanding the preceding provisions of this subsection, in any case in which an employee who is engaged on official business for the Government chooses to use a privately owned vehicle in lieu of a Government vehicle, payment on a mileage basis is limited to the cost of travel by a Government vehicle.*

(b) In addition to the mileage allowance authorized under subsection (a) of this section, the employee [or other individual performing service for the Government] may be reimbursed for—

- (1) parking fees;
- (2) ferry [fares; and] fees;
- (3) bridge, road, and tunnel [tolls.] costs; and
- (4) airplane landing and tie-down fees.

§ 5705. Advancements and deductions

An agency may advance, through the proper disbursing official, to an employee [or individual] entitled to per diem or mileage allowances under this subchapter, a sum considered advisable with regard to the character and probable duration of the travel to be performed. A sum advanced and not used for allowable travel expenses is recoverable from the employee [or individual] or his estate by—

- (1) setoff against accrued pay, retirement credit, or other amount due the employee [or individual];
- (2) deduction from an amount due from the United States; and
- (3) such other method as is provided by law.

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[§ 5707. Regulations

[The Director of the Bureau of the Budget shall prescribe regulations necessary for the administration of this subchapter. The fixing, payment, advancement, and recovery of travel allowances, and the reimbursement of travel expenses, under this subchapter shall be in accordance with the regulations. This section does not apply to the fixing or payment of a per diem allowance under section 5703(c) of this title.]

§ 5707. Regulations and reports

(a) *The Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter, except that the Director of the Administrative Office of the United States Courts shall prescribe such regulations with respect to official travel by employees of the judicial branch of the Government.*

(b)(1) *The Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations of employees of the Government, shall conduct periodic investigations of the cost of travel and the operation of privately owned vehicles to employees while engaged on official business, and shall report the results of such investigations to Congress at least once a year. In conducting the investigations, the Administrator shall review and analyze among other factors—*

- (A) *depreciation of original vehicle cost;*

- (B) gasoline and oil (excluding taxes);
- (C) maintenance, accessories, parts, and tires;
- (D) insurance; and
- (E) State and Federal taxes.

(2) The Administrator shall issue regulations under this section which shall prescribe mileage allowances which shall not exceed the amounts set forth in section 5704(a) of this title and which reflect the current costs, as determined by the Administrator, of operating privately owned motorcycles, automobiles, and airplanes. At least once each year after the issuance of the regulations described in the preceding sentence, the Administrator shall determine, based upon the results of his investigation, specific figures, each rounded to the nearest one-half cent, of the average, actual cost a mile during the period for the use of a privately owned motorcycle, automobile, and airplane. The Administrator shall report such figures to Congress not later than five working days after he makes his determination. Each such report shall be printed in the Federal Register. The mileage allowances contained in regulations prescribed under this section shall be adjusted within thirty days following the submission of that report to the figures so determined and reported by the Administrator.

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